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the origin of lodes and placers, his conclusions could not have been more crude or less worth while than Professor DeLaunay's dogmatic reflections upon the uses of gold as money. To economists the most interesting part of De Launay's book is probably those pages in which he discusses the future of gold production. He believes that the era of an abundant and increasing gold supply is to last for many years, and that we may not fear any scarcity of gold, despite the remarkable fact that in 1906 the world, according to the author, had too little, as was evidenced, forsooth, by the rise in the rate of interest.

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State and Local Taxation. PROCEEDINGS OF THE SECOND INTERNATIONAL CONFERENCE UNDER THE AUSPICES OF THE INTERNATIONAL TAX ASSOCIATION held at Toronto, Ontario, October 6-9, 1908. Columbus, O., 1909.—636 pp.

An examination of the volume of proceedings of the second annual meeting of the International Tax Association held at Toronto, in October, 1908, impresses the reader with the variety of subjects considered, the varying degrees of excellence in the papers and the irrelevancy of a too considerable part of the discussion. Compared with the previous year the program shows one third fewer papers, and what is more to the purpose, the papers are concentrated in the main upon some five topics. These are: the taxation of natural resources, such as timber, oil and minerals; the taxation of insurance companies; inheritance taxes; the tax systems of the Canadian provinces; and the assessment of property for taxation purposes.

Upon the first of these questions the speakers reached some common ground. It seems to be agreed that timber is a crop and should be taxed once, but this involves so many problems of local finance that this statement is supplemented by another to the effect that the land should be taxed annually. Some suggestions were made to tax timber on its annual capitalized value, a method which would undoubtedly prove cumbersome and unsatisfactory in practice. One member of the Association asserted that the cutting of timber is not hastened by heavy taxes. This is true in many instances but in some cases the arbitrary tax on timber has forced early cutting and realization upon the holding. Agreement upon the taxation of mineral resources was not so easily arrived at, but the difficulties of taxing natural resources in the ground were thoroughly presented. The *ad valorem* method of

assessment brings out admirably the absurdities of a valuation of mineral properties for taxation purposes. It is true the Minnesota Tax Commission made a highly creditable valuation of mineral properties on the Mesabe and Vermillion iron ranges, but they were favored greatly by the development of the industry, by the willingness of the companies to give information, and by the geological structure of the ore body. At least two of these conditions could not be produced anywhere else. The opinion of the readers of papers on the taxing of mineral properties, though cautiously presented, was to the effect evidently, that a production tax supplemented by a nominal land tax on surface is the method of taxing mineral properties likely to meet with the least opposition and at the same time produce fairly satisfactory results.

No thorough-going program is quite complete without some discussion of the taxation of life-insurance companies. The Toronto meeting was no exception to the rule. Two excellent papers were presented by representatives of companies, but the effect of them, like much of the lobbying by representatives of insurance companies for the removal of the tax on premiums, was negative. The majority of those present were of the opinion that there are many problems of greater importance than the taxation of insurance companies since not even the essentials of an adequate system have yet been worked out. In a large measure the attitude toward the question of inheritance taxes was the same, though the protest against federal encroachment in this field as compared with the needs of local governments, which are constantly increasing, was well timed, as the states will be compelled to utilize this source of revenue as soon as the necessary organization can be created. Especially is this true since the separation of state and local revenues is practically made impossible for many years to come because of insufficient sources of state revenue.

The holding of the conference in Toronto brought the Canadian provincial systems of taxation into the limelight. Accordingly, papers were presented showing in brief the outlines of the systems developed in the different provinces. While in the states the people have adhered rather strongly to the general property tax the Canadians have profited by their relations with Europe, the newness of their organization and the absence of trammels upon the conduct of government business. In consequence, Toronto for example, has been able to experiment with a system of business assessments as a substitute for the personal property tax; the provinces have simplified the land tax, developed the license system and special franchises, and in fact, have

gone a long distance from the personal property tax, practically substituting a business-income tax for it.

Upon the question of the taxation of public-service corporations the drift of opinion of the conference seemed to be away from the valuation of such properties toward either a net or gross earnings tax. In the paper upon the "Work of Tax Commissions" it was expected that the reader would show what had been done in these directions by the various tax commissions, but reference was made alone to the laws of New York and the work of the tax commission of that state, and the conference did not have directly before it the results of the work done in some of the states by the new tax commissions. The warning against arbitrary assessments and despotism in the administration of tax laws as practiced in the United States was well in point. Professor Seligman's prophesy of the breakdown of the whole assessment system if some rule of action coupled with the fullest publicity was not adopted needed to be emphasized at a conference of men whose main view was upon revenue. The same line of thought was followed in its practical applications to the making of assessments by Professor Boyle and Mr. Purdy.

As the lessons of previous conferences are learned the tendency shown in the two earlier ones towards a limitation of subjects and a more detailed discussion of them will be more and more in evidence. The International Tax Association has given us two excellent volumes well edited, well arranged and attractively printed. The attendance and membership increases each year. At the Toronto conference railroad and corporation tax officers were present for the first time and they took part in the discussion with a resultant better understanding of the difficulties of the problem involved from the administrative and taxpayer's side.

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Effects of War on Property. BY ALMA LATIFI. London, The Macmillan Company, 1909.—viii, 155 pp.

Besides two essays on the *pros* and *contras* of the immunity of private property of enemies at sea as seen from the point of view of British interests, the volume contains four essays on the law governing the following subjects: "Property of Enemies and Neutrals on Land", "Effects of Conquest on Property", "Property of Enemies and Neutrals at Sea" and "Exceptions to the Rule of Capture of Property at Sea."